

Franchise Tax Board**ANALYSIS OF ORIGINAL BILL**

Author: Calderon & Pavley Analyst: Brian Werking Bill Number: SB 366
Related Bills: See Legislative History Telephone: 845-5103 Introduced Date: February 15, 2011
Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: State Agency Regulations/Agency Review

SUMMARY

This bill would require, within 180 days of its effective date, state agencies to review and redress duplicative, overlapping, inconsistent, or out-of-date regulations.

This analysis only addresses the provisions of the bill that would impact the department.

RECOMMENDATION AND SUPPORTING ARGUMENTS

No position.

Summary of Suggested Amendments

Amendments have been provided below to correct technical errors.

PURPOSE OF THE BILL

According to the legislative intent language contained within the bill, the purpose of this bill is to ensure that state agencies more efficiently implement and enforce laws and reduce unnecessary and outdated rules and regulations.

EFFECTIVE/OPERATIVE DATE

As an urgency measure, this bill would be effective and operative immediately upon enactment.

ANALYSIS**STATE LAW**

The Administrative Procedure Act establishes rulemaking procedures and standards for the adoption, amendment, or repeal of regulations by state agencies charged with the enforcement of state laws, and for the review of those regulatory actions by the Office of Administrative Law. (Govt. Code, § 11340 et seq.)

Board Position:

____ S ____ NA X NP
____ SA ____ O ____ NAR
____ N ____ OUA

Executive Officer

Date

Selvi Stanislaus

05/24/11

THIS BILL

This bill would require the Franchise Tax Board (FTB), within 180 days of the effective date of this bill, to do the following:

- 1.) Review any regulations applicable or adopted by it.
- 2.) Identify any regulation that is duplicative, overlapping, inconsistent, or out of date.
- 3.) Adopt, amend, or repeal regulations to reconcile or eliminate any duplication, overlap, inconsistency, or out of date provisions.
- 4.) Hold at least one noticed public hearing, which shall be noticed on the FTB's public website, to accept public comment on the proposed revisions to its regulations.
- 5.) Notify the appropriate policy and fiscal committees of each house of the Legislature of the revisions to regulations that the FTB proposes, at least 60 days prior to the noticed public hearing, or in the case of emergency regulations, at least 60 days prior to the proposed adoption, amendment, or repeal of the regulation.
- 6.) Adopt as emergency regulations, as authorized, those changes to regulation identified as duplicative, overlapping, inconsistent, or out of date.
- 7.) Report to the Governor and the Legislature the number and content of regulations identified as duplicative, overlapping, inconsistent, or out of date and what actions were taken to address those regulations.

This bill would require the State and Consumer Services Agency (SCSA), within 60 days of the effective date of this bill, to notify the FTB of any existing regulations adopted by the department that may be duplicative, overlapping, or inconsistent with regulations adopted by other departments, boards, or commissions within the SCSA.

This bill would require the FTB to notify SCSA of any proposed revisions to regulations at least 60 days prior to the noticed public hearing, or in the case of emergency regulations, at least 60 days prior to the proposed adoption, amendment, or repeal of the regulation. The SCSA would be required to review the proposed revisions and make recommendations to the FTB within 30 days of receiving notification of the proposed revisions.

IMPLEMENTATION CONSIDERATIONS

Implementing this bill would not impact the department's programs and operations.

TECHNICAL CONSIDERATIONS*

On page 4, line 13, insert "s" after "duplication" and before ","

On page 4, line 13, insert "s" after "overlap" and before ","

LEGISLATIVE HISTORY

ABX1 4 (Logue, 2011/2012) would change the date a regulation becomes effective. This bill is currently in the Assembly.

AB1X 5 (Logue, 2011/2012) would require that notice of proposed action be submitted to the Legislature. This bill is currently in the Assembly.

AB1X 6 (Logue, 2011/2012) would mandate the Department of Finance to update instructions for inclusion in the State Administrative Manual the methods used for determination, estimates, statements and findings. This bill is currently in the Assembly.

AB 1822 (States. 2000, Ch. 1060) made various changes to the laws governing regulatory procedures.

FISCAL IMPACT

This bill would require the department to compile additional data and issue reports within 180 days of enactment. As a result, this bill would substantially impact the department's staff resources. The additional costs have not been determined at this time. As the bill continues to move through the legislative process, costs will be identified and an appropriation will be requested, if necessary.

ECONOMIC IMPACT

This bill would not impact the state's income tax revenues.

SUPPORT/OPPOSITION

Support: None provided.

Opposition: None provided.

ARGUMENTS

Pro: It could be argued that this bill would increase transparency of the administrative process by improving clarity within state agency regulations.

Con: It could be argued that this bill could create significant short-term burdens to state agencies that have had staffing reductions.

LEGISLATIVE STAFF CONTACT

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